

## Message Text

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15

ACTION EA-10

INFO OCT-01 ISO-00 INT-05 L-02 IO-10 CIAE-00 DODE-00

INR-07 NSAE-00 PA-01 USIA-06 PRS-01 SP-02 SS-15 H-02

/062 W

----- 004598

P R 120420Z MAR 75

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC PRIORITY 8605

CINCPACREP GUAM/TTPI

INFO CDRUSAGO MAKIMANATO JAPAN/TTPI-LNO

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CINCPACREP PASS TO HICOM AND STATUS LNO SAIPAN

FOR HICOM AND STATUS LNO

DEPT PASS INTERIOR FOR DOTA AND OSN

E.O. 11652: N/A

TAGS: EAID, TQ, JA, USG

SUBJ: MICRONESIA CLAIMS AGREEMENT

REF: STATE 49997

SUMMARY. EMBOFF DISCUSSED CLAIMS AGREEMENT FOR FONOFF REPS. FONOFF WILL STUDY FORMAL USG REQUEST TO EXTEND PROCUREMENT PERIOD TO OCT 15, 1976 AND RESPOND. GOJ READY TO MAKE THIRD YEN DEPOSIT INTO SPECIAL ACCOUNT UPON RECEIPT OF REQUEST FROM EMBASSY. REQUEST DEPARTMENT GUIDANCE RE RICE EXPERT CONTRACT. ACTION REQUESTED. IS LISTED IN LAST PARAGRPH. END SUMMARY.

1. ON MARCH 7 AND 10, DRAWING ON REFTTEL, EMBOFF DISCUSSED QUESTIONS RELATED TO AGREEMENT WITH FONOFF REPS (SASAKI AND TANAKA OF SECOND ECONOMIC COOPERATION DIVISION).

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2. RE EXTENSION OF PROCUREMENT PERIOD: A) SASAKI SAID USG'S

FORMAL REQUEST TO EXTEND PERIOD TO OCT 15, 1976 WOULD RECEIVE PROMPT ATTENTION WITHIN FONFF AND OTHER MINISTRIES AND THAT HE WOULD RESPOND AS SOON AS POSSIBLE. B) SASAKI EXPRESSED HIS APPRECIATION FOR INFO PROVIDED IN REFTEL RE TIMING OF REMAINING PROCUREMENT. IN DISCUSSING USG REQUEST FOR EXTENSION WITH OTHER MINISTRIES, AS MUCH INFO AS POSSIBLE ON PROCUREMENT PLANS WILL BE HELPFUL; THUS, FONOFF WOULD MOST APPRECIATE ANY ADDITIONAL INFO WHICH TTPI ABLE TO PROVIDE. SUCH ADDITIONAL INFO WOULD NOT BE ESSENTIAL, SASAKI STRESSED, BUT IT WOULD BE HELPFUL. C) ONCE AGREEMENT IS REACHED ALONG LINES REFTEL, MAY WE PROCEED TO EXCHANGE NOTES WITH FONOFF RE EXTENSION OF PROCUREMENT PERIOD?

3. RE INTERPRETATION OF CLAIMS AGREEMENT LANGUAGE AND RICE EXPERT CONTRACT, SASAKI CONFIRMED THAT DEPT'S UNDERSTANDING OF FONOFF INTERPRETATION OF CLAIMS AGREEMENT LANGUAGE IS CORRECT. ACTUAL DELIVERY OF GOODS AND SERVICES COULD TAKE PLACE AFTER END OF PROCUREMENT PERIOD SO LONG AS PAYMENT FOR THAT DELIVERY IS MADE BEFORE END OF PROCUREMENT PERIOD. BASED ON THIS INTERPRETATION, EMBASSY WOULD HOPE TO BE ABLE TO SUBMIT RICE EXPERT CONTRACT TO FONOFF WITHOUT FURTHER DELAY UNLESS DEPARTMENT REQUIRES THAT AGREEMENT FIRST BE REACHED ON EXTENSION OF PROCUREMENT PERIOD TO OCTOBER 15, 1976. OUR CONCERN IS THAT GOJ RESPONSE MAY TAKE UP TO TEN DAYS OR MORE AND RICE EXPERT ALREADY RECRUITED TO WORK IN TTPI MAY DEPART FOR GREENER PADDIES BEFORE THEN. NOMURA ENTERPRISE OFFICIAL (KIMURA) HAS INDICATED RELUCTANCE TO TRY TO PERSUADE EXPERT TO BEGIN WORK BASED ON CONTRACT FOR, SAY, TWO MONTHS, WHICH WOULD AVOID ALL PROBLEMS RELATED TO EXTENSION. SASAKI HAS RECONFIRMED FONOFF WILLINGNESS TO CONFIRM TWO YEAR CONTRACT QUICKLY BASED ON AGREED INTERPRETATION OF CLAIMS AGREEMENT LANGUAGE AND WITHOUT REGARD TO FACT LENGTH OF EXTENSION HAS NOT YET BEEN AGREED TO.

4. RE INTEREST USE: PROCEDURE FOR USE OF INTEREST EXPLAINED EARLIER (EG TOKYO 2136) CONTEMPLATES FIVE STEPS, TWO OF WHICH -- NOTE EXCHANGE AND LETTER TO BANK -- INVOLVE EMBASSY AND THREE OF WHICH -- COVER LETTER WITH CONTRACT, PROVISION IN CONTRACT, AND PAYMENT FOR CONTRACT WITH TWO CHECKS -- INVOLVE TTPI. DURING MARCH 10 CONVERSATION SASAKI SAID COVER LETTER WITH CONTRACT COULD EITHER BE SEPARATE FROM REQUEST FOR CONFIRMATION OR COMBINED WITH IT. IMPORTANT POINT IS THAT LETTER SHOULD STATE HOW MUCH LIMITED OFFICIAL USE

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MONEY FROM SPECIAL ACCOUNT AND HOW MUCH FROM INTEREST ACCOUNT WILL BE USED TO PAY FOR CONTRACT. SPECIAL PROVISION IN CONTRACT SHOULD ALSO CONTAIN THIS INFO AS WELL AS EXPLANATION THAT PAYMENT WILL BE IN FORM OF TWO CHECKS. SASAKI SAID FONOFF WOULD PREPARE DRAFT NOTE EXCHANGE RE INTEREST USE AND SUBMIT IT TO EMBASSY.

5. RE THIRD GOJ PAYMENT INTO SPECIAL ACCOUNT: SASAKI SAID GOJ NOW PREPARED TO MAKE THIRD (AND FINAL) GOJ DEPOSIT OF 600 MILLION

YEN INTO SPECIAL ACCOUNT. FONOFF REQUESTS EMBASSY SUBMIT LETTER FROM E/C COUNSELOR TO APPROPRIATE FONOFF OFFICIAL SIMILAR TO LAST YEAR'S LETTER (DATED MARY 18, 1974, COPY OF WHICH WAS POUCHED TO DEPT AND TTPI). REQUEST DEPT AUTHORIZATION TO SEND SUCH LETTER.

6. RE DEPOSITS AT NOTICE IN SPECIAL ACCOUNT: SASAKI SAID CORRECTION OF PRESENT IRREGULARITY (BY CHANGING DEPOSITS AT NOTICE INTO EITHER CURRENT OR FIXED DEPOSITS) WITHOUT ATTEMPTING RETROACTIVELY TO CORRECT PREVIOUS ERROR WOULD BE SATISFACTORY TO FONOFF.

7. ACTION REQUESTED: DEPT: A) AUTHORIZE EMBASSY TO EXCHANGE NOTES RE EXTENSION OF PROCUREMENT PERIOD ONCE AGREEMENT REACHED ALONG LINES REFTEL; B) AUTHORIZE EMBASSY TO SEND LETTER TO FONOFF REQUESTING THIRD GOJ PAYMENT INTO SPECIAL ACCOUNT; C) ADVISE WHTEHER EMBASSY MAY DELIVER RICE EXPERT CONTRACT. HICOM: PROVIDE ANY ADDITIONAL INFO RE PROCUREMENT PLANS.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, MICRONESIAN CLAIMS  
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**Draft Date:** 12 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** RowellE0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**TAGS:** EAID, TQ, JA, US  
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